

(5) The quantity of processed tobacco in the shipment;

(c) The entries in the records of removals required under this section must be made for each day by the close of the business day following the day on which the removal occurs. There is no particular format prescribed for the records required under this section (and commercial records may be used) although the required information must be readily ascertainable from the records kept. In the case of a removal under paragraph (a)(5) or (a)(6) of this section that involves shipment by a common carrier, the appropriate TTB officer may approve an alternate method or procedure pursuant to §§ 40.45 or 40.531 through which the manufacturer may keep records regarding the common carrier and its means of tracking (including pick up and delivery) of the shipment in lieu of the information required by paragraphs (b)(2) and (b)(3) of this section.

[T.D. TTB-104, 77 FR 37303, June 21, 2012]

§ 40.522 Reports.

(a) *General.* Every manufacturer of processed tobacco must prepare a monthly report on TTB F 5250.1 in accordance with the instructions for the form. The report must be prepared at the times specified in this section and must be prepared whether or not any operations or transactions occurred during the period covered by the report. The manufacturer must retain a copy of each report in accordance with the provisions of this subpart.

(b) *First report(s).* The first monthly report must be submitted by the 20th day of the month following the month in which the permit or authorization is issued. If the manufacturer is operating as a manufacturer of processed tobacco under the transitional rule set forth in § 40.493, the manufacturer must submit the first report by the 20th day of the month following the month in which TTB provides written acknowledgement of the receipt of the application filed under § 40.492. In the transitional case, the manufacturer must also submit reports for all previous months back to April 2009. For example, a manufacturer who receives an acknowledgement, dated July 17, 2009, must submit by August 20, 2009, a total

of four reports, one each for April, May, June, and July 2009.

(c) *Reports of no activity.* Reports with the notation “No Activity” must be made for those months in which no activity occurs.

(d) *Reports of removals.* (1) Except as otherwise provided in paragraphs (d)(2) or (d)(3) of this section, a manufacturer who removes processed tobacco for export or for shipment to someone other than a person holding a TTB permit as a manufacturer of processed tobacco, as a manufacturer of tobacco products, as an importer of processed tobacco, or as an export warehouse proprietor must report each such removal on TTB F 5250.2 by the close of the next business day following the day of removal, in accordance with the instructions on the form.

(2) In the case of removals for export, as an alternative to the procedure prescribed in paragraph (d)(1) of this section, the manufacturer may submit to TTB a monthly summary report of such removals in a format approved by the appropriate TTB officer. Prior to the use of such an alternate procedure, the manufacturer must obtain written approval from the appropriate TTB officer.

(3) A manufacturer of tobacco products who removes processed tobacco for any of the purposes related to the manufacture of tobacco products set forth under § 40.72(b)(2) is not required to report such removals on TTB F 5250.2. Records of such removals must still be kept pursuant to § 40.521.

(e) *Concluding report.* A concluding report, covering the period from the first of the month to the date of the concluding inventory, shall be made with such inventory.

(26 U.S.C. 5722)

[T.D. TTB-78, 74 FR 29410, June 22, 2009, as amended by T.D. TTB-80, 74 FR 37552, July 29, 2009; T.D. TTB-104, 77 FR 37304, June 21, 2012]

§ 40.523 Inventories.

Every manufacturer of processed tobacco must provide a true and accurate inventory on TTB F 5210.9 in accordance with instructions for the form. The manufacturer must make such an inventory at the time of commencing business, at the time of transferring